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E.O. 12958: DECL: 01/03/2018 TAGS: <u>PREL PGOV IR SY EG</u>

SUBJECT: EGYPTIAN MFA ON RELATIONS WITH IRAN, LARIJANI VISIT

REF: A. CAIRO 008 <u>1</u>B. CAIRO 009

Classified By: Deputy Chief of Mission Stuart Jones reasons: 1.4 (b) and (d)

- 11. (C) Summary. The Ali Larijani visit at the turn of the year was the latest in a series of three meetings between GOE and Iranian officials. The media (particularly from Iran) has played up the prospects for improved GOE-GOI relations. However, despite overtures from the Iranian side for greater cooperation, including in regional issues, our GOE interlocutors insist that relations will not advance so long as Iran continues to harbor wanted extremists and refuses to rename Islambouli Street (named after Sadat's assassin) in Tehran. In the meantime, we can expect increased commerce and trade, and a continuation of diplomatic visits. End Summary.
- 12. (S) MFA Cabinet Advisor Mahmud Afifi gave us an update on GOE-GOI contacts January 2. The Iranians had initially reached out to the GOE, sending Deputy Foreign Minister Abbas Araqchi to Cairo on September 18th, 2007. At that meeting, the Iranians sought improved relations with Egypt, including the opening of a new embassy in Cairo. The GOE agreed to work toward this, according to Afifi, but made clear that first Iran must rename Islambouli Street (and remove a mural of Islambouli) in Tehran, and turn over extremists currently harbored in Iran. MFA Spokesman Hosam Zaki told us following the meeting that "you will know relations with Iran have changed when they have renamed the street." The GOE did agree to reciprocate the September 18 visit with a December 12, 2007 visit to Tehran of Assistant Minister for Asian Affairs Hussein Darar.
- 13. (S) At the December 12 meeting, the Iranians suggested sending Iranian religious leaders to meet with their Egyptian counterparts at al Azhar Mosque. In addition, according to Afifi, the Iranians signaled that they would be willing to be "flexible" on regional issues if the GOE would agree to cooperate with them. The GOI did not press hard on the issue of the pre-revolutionary Iranian flag located at the Shah's tomb in Cairo.
- 14. (S) The Egyptian delegation held fast to the two pre-conditions set forth at the September meeting. They did, however, agree to continue to increase commercial ties (as reflected in a new Egyptian-Iranian joint venture to build Peugeot autos as well as an Egyptian purchase of Iranian wheat). In the December meeting, the Egyptians urged Iran to press Syria to be more pragmatic with respect to Lebanon (reftel a).
- 15. (S) Afifi said that the Iranians believe they can make progress on improved relations with Egypt, as opposed to Saudi Arabia, due to Egypt's history as a "moderate" Sunni

state. While the GOE had not agreed to it, he did not see a potential threat from increased Iranian interaction with al Azhar Mosque, notwithstanding recent Iranian exploitations in Lebanon and Iraq, and the Hamas situation in Gaza.

16. (S) At the turn of the year, Ali Larijani (National Security Council Representative to Ayatollah Ali Khamenei) visited Egypt on a week long "private visit." Larijani, seen by the MFA as a potential bridge between the GOE and Iranian hardliners, had meetings that included EGIS Chief Omar Soliman, Foreign Minister Aboul Gheit, and Arab League Secretary General Amre Moussa. Larijani's January 1 meeting

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with Aboul Gheit focused on regional issues as opposed to the GOE-GOI bilateral relationship; he told Aboul Gheit that Iran was "dominating" in Iraq and Lebanon. Nevertheless, Afifi reported that Larijani's overall tone in the meeting was practical and that he sought to advance a common Egyptian-Iranian strategic approach to the region.

17. (S) Comment: Afifi and other MFA interlocutors have gone out of their way to say that the December visit of Darar to Tehran had nothing to do with the December 3, 2007 release of the National Intelligence Estimate. At the same time, our Egyptian friends remain extremely attuned to any shift in our Iran strategy. The current GOE-GOI dialogue may serve to mollify the Egyptian fear that they may be left out of a "grand deal" between the U.S. and Iran, and we believe that FM Aboul Gheit is most forward-leaning on advancing Egyptian-Iranian relations. However, given the traditional disdain GOE leadership has for Iran, as well as bitter recollections of Iranian meddling in Egypt (most recently articulated by Omar Soliman in reftel b), we assess that Egypt will remain cautious, and stick to the preconditions. Ricciardone